



الوكالة الإسلامية الدولية للتصنيف
Islamic International Rating Agency

IIRA Reaffirms Takaful Financial Strength Rating of the Islamic Insurance Company

Manama, July 05, 2021—The Islamic International Rating Agency (IIRA) has reaffirmed the Takaful Financial Strength (TFS) rating of The Islamic Insurance Company PLC ('TIIC' or 'the company'), Jordan, at 'A' (Single A). Outlook on the assigned rating is 'Stable.'

The Islamic Insurance Company ('TIIC' or 'the Company') is the first Takaful company to commence operations in Jordan. Jordan Islamic Bank is the largest shareholder with a share of 41.67% and close ties with the company in terms of business and Board representation.

Despite an economic recession and lockdown amid COVID-19, TIIC posted improved profitability indicators, supported by lower claims during the year increasing earnings in the policyholders funds to JD 0.63mn in 2020 (2019: JD 0.09mn). With increased contribution from Wakala fee, TIIC also posted a higher net profit of JD 1.73mn in the shareholders' fund during 2020 (2019: JD 1.18mn).

The company has been proactively managing the Retakaful treaty to comply with all regulatory requirements. More recently, the panel has been re-arranged to ensure that all reinsurance companies thereon continue to be rated in investment grade.

Some improvement has been noted in the Corporate Governance structure. As per best practices, the company has established a dedicated Risk Management department. TIIC also has a well developed Shari'a structure led by the Shari'a Supervisory Board. The company's overall fiduciary score has remained in the range of '76-80', reflecting strong protection of the rights of various stakeholders.

For further information on this rating announcement, please contact IIRA at iira@iirating.com.

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